BRITISH COLUMBIA

BC STATS Infoline

Issue: 98-38 6 Pages
September 25, 1998

tel (250) 387-0327
fax (250) 387-0329

All issues since 97-01 are on our website:
http://www.bcstats.gov.bc.ca

highlights

a weekly digest of recently released British Columbia statistics

Population

- **British Columbia's population passed the 4 million mark this spring.** Revised population figures (including adjustments for people missed in the 1996 Census) released by Statistics Canada indicate that BC's population was 4,014,329 on July 1st. During the last thirty years, BC's population has doubled (+100%). NWT (+126%), Yukon (+97%) and Alberta (+91%) were the only other regions with similarly high growth rates. In the rest of the country, Ontario (+57%) posted the strongest increase. The national average was 46%, and rates in other provinces ranged from a low of 7% in Saskatchewan and Newfoundland to 24% in PEI and Quebec.

  Source: Statistics Canada

- **BC's population growth during the twelve-month period ending July 1st was 1.3%.** There has been a steady slowing in the growth of the population since mid-1994, when the annual increase was 3.1%. Alberta (+2.7%) recorded the strongest growth, followed by Ontario (+1.3%). The national average was 1.0%, with rates in other areas ranging from -1.8% in Newfoundland and Yukon to 0.4% in Quebec. *Source: BC STATS*

- **During the second quarter of 1998, BC gained 3,306 people as a result of net migration from all sources.** This compares to an increase of 13,000 in the second quarter of last year. International migration to BC during the second quarter resulted in a net gain of 8,231 persons. This decline over last year was partially a result of the repatriation of Hong Kong to China in July 1997. BC continued to lose people to the rest of Canada. There was a net outflow of 4,925 people to other provinces, compared to a net inflow of 1,691 a year earlier. In net terms, BC lost people to Alberta and Saskatchewan in the second quarter, but gained from the other provinces.

  Source: BC STATS

The Economy

- **The number of British Columbians receiving regular employment insurance (EI) benefits rose 2.6% (to a seasonally adjusted level of 70,130) between June and July.** The increase in EI recipients was part of a nation-wide trend which saw the number of unemployed Canadians receiving benefits rise 4.5% to 580,620. Nine provinces and both territories recorded monthly increases, ranging from 2.0% in New Brunswick to 19.5% in Saskatchewan. Alberta (-0.4%) was the only province to avoid the upturn.

  Source: Statistics Canada

- **Retail sales in BC rose 0.8% (seasonally adjusted) between June and July.** The increase was the first since April. Canadian sales were up 1.4%, with all provinces except Newfoundland (-1.2%) posting gains. Alberta (+3.2%), Quebec (+2.3%) and the north (+2.6% in Yukon and +6.0% in NWT) recorded the strongest increases. Manitoba (+0.1%), PEI (+0.4%) and Ontario (+0.6%) had the weakest growth. *Source: Statistics Canada*

- **There were 793 consumer bankruptcies in the province in June, an increase of 22.2% from the same month last year.** Consumer bankruptcies had been falling during the first four months of the year, partly in anticipation of a change in the Bankruptcy Act slated to come into effect May 1st. Bankruptcy statistics for May and June appear to confirm that some individuals postponed bankruptcy declarations until May in order to take advantage of more generous rules

Report **Falling Canadian $ aids food exports**

Did you know...?
Last year, 49 BC women gave birth to triplets. Another 990 had twins, and there were 43,332 single births. One in 900 new mothers gave birth to triplets, and one in 45 had twins, last year.

establishing the value of personal property exempt from seizure.

Business bankruptcies also seem to have been affected by the change in rules. They were up 9.7% in June after increasing 21.8% in the previous month. The number of business bankruptcies declined in most provinces. Ontario (+8.1%) and Saskatchewan (+35.7%) were the only exceptions. The Canadian figure was 3.0% lower than in June of 1997.

Source: Industry Canada, BC STATS

Big-Box Retailing

- **Almost a third (31%) of all general merchandise stores in BC are classified as big-box outlets (those with at least 90,000 square feet of floor space).** These outlets accounted for about three-quarters (72%) of all sales by general merchandisers in the province in 1996. More than a quarter of all general merchandise stores in the Prairies (28%) and Ontario (28%) are big box outlets, compared to 19% in Quebec and 14% in Atlantic Canada. Their share of total sales ranges from 50% in Atlantic Canada to 75% in Quebec, where there is a high degree of concentration. Nationally, the market share of these retailers increased from 60% to 70% between 1989 and 1996.

  Big box supermarkets (those with a minimum floor space of 50,000 square feet) increased their share of total sales from 20% to 35% during the same period. They now account for half of all supermarket sales in western Canada. Big box specialty stores have gained market share as well (from 20% to 25%), but with mixed results. Retailers of shoes, home appliances, electronic equipment and sporting goods have seen steady growth, but there has been a decline among furniture, hardware, paint, glass and wallpaper retailers. Large-format retailing is more popular among men than women, at least when it comes to clothes. Men's clothing stores in this category account for 19% of total sales, compared to just 4% of sales by retailers of women's clothing.

  Source: SC, catalogue 63-210-XPB

Nature-Related Activities

- **Eight out of ten adults (aged 15 and over) in BC participated in one or more nature-related activities during 1996.** These ranged from a picnic at the beach to camping, canoeing, sightseeing, fishing and hunting, to visiting provincial or national parks. BC residents were slightly less likely (82%) than the average Canadian (85%) to spend time outdoors. The most avid nature-lovers were Albertans (89%), followed by residents of Manitoba (87%) and Saskatchewan (86%). People living in the Yukon (77%) were least likely to engage in nature-related activities.

  Source: SC, The Daily

Marriages

- **More than half (56%) of the marriages which took place in British Columbia last year were performed by marriage commissioners.** Of the 21,845 BC couples who tied the knot during 1997, 12,170 were married in a civil ceremony. BC's 355 marriage commissioners averaged 34 weddings each. This compares to an average of less than 2 weddings for the 6,098 religious representatives licenced to perform marriages in BC last year. *Source: Vital Statistics Report, 1997*

Births

- **Of the 44,371 live births to BC residents last year, 320 occurred at home, 10 took place en-route to the hospital, and 8 were in places such as clinics or doctors offices.** Home births accounted for one in every 140 live births last year. The highest home live-birth rate was in West Kootenay-Boundary (45.52 per 1,000 births). Home births were also fairly common in the Capital (21.53), Coast-Garibaldi (20.05) and Vancouver (11.52) health regions. They were least common in North West (0.77) and Richmond (1.80). *Source: Vital Statistics Report, 1997*

The Nation

- **Canada's national debt stood at $458 billion at the end of July.** This was down 1.9% from March, when the national debt was $467 billion. The federal government's surplus was $1.6 billion, down from $1.9 billion a year earlier. The decline in the size of the surplus was mainly due to a 3.3% increase in program spending.

  Source: Federal Department of Finance

highlights, Issue 98-38
September 25, 1998

For data originating from Statistics Canada: data sourced to 'Statistics Canada' has been retrieved from CANSIM, the agency's electronic database; otherwise the source is identified as 'SC' plus the publication name or catalogue number.

Sept 25, 1998

Infoline Report:

Falling Canadian dollar aids food exports, but could bring higher prices

Contact: George Dufour (250) 387-0376

Originally published in June 1998 issue of *Exports*. Annual subscription is $60 + GST

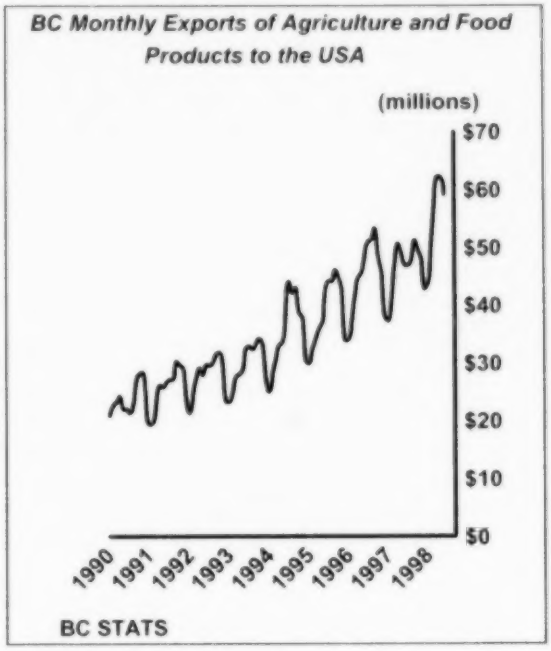
The steep decline of the Canadian dollar to below 64 cents U.S. in August can be expected to have important impacts on trade with the United States, and on prices within Canada. At time of writing, export statistics are available only up to June. Even at this early stage in the Canadian dollar's 1998 decline there were some indications that a low valued loonie was beginning to affect cross border trade in agricultural and food products between British Columbia and the United States. There was also some indication that the low dollar had already become a significant factor behind price rises for some food commodities traded freely across the border.

Agriculture and Food Trade On the Rise

The export advantage produced by the drop of the Canadian dollar against the United Stated currency appears to have accelerated a long established export growth trend for agricultural commodities and food products.

Cross border trade has been increasing in both directions for more than a decade. Much of the increase in Canadian imports of food from the United States has come about as Canadian consumers have developed tastes for products that cannot be practically cultivated in Canada, particularly during the winter months. Canadian exports to the United States have risen as the agricultural industry in Canada has discovered product niches for which local climate, soil or other conditions offer some advantage.

More open trade in both directions was secured with the implementation of the Canada-USA Free Trade Agreement at the end of the 1980s and the later North American Free Trade Agreement (NAFTA), which brought in Mexico. Since then, agricultural producers on both sides of the border have adjusted to the more liberalised North American trading environment. In British Columbia this process has involved considerable restructuring of the industry to take advantage of new trading opportunities. New, or considerably enlarged agricultural export industries have included greenhouse operations, cranberry growing, mushroom farms, and cattle raising.



Prior to the signing of the Canada-USA Free Trade Agreement, U.S. exporters shipping to Canada faced Canadian tariff rates for fruit, vegetable or horticultural products of around 10 to 15 per cent for many items. Canadian exporters shipping to the United States faced similar tariffs. Most of these barriers have now disappeared, prompting steady trade growth in both directions during the 1990s.

With more imported food products in their home market, Canadian consumers have enjoyed greater choice and have gained some protection against price rises through increased competition.

However, as imports have become a larger component of Canadian food consumption, Canadian consumers have become more exposed

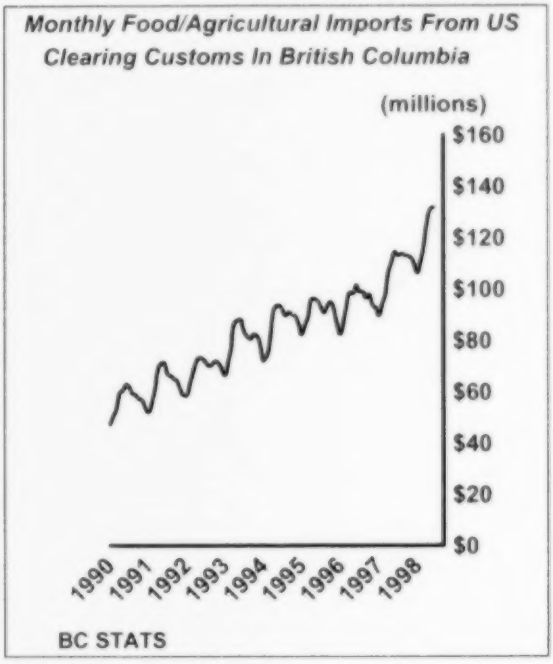
to changes in the Canada-U.S. exchange rate. This exposure also applies to some extent for Americans, but it is far more important in Canada because Canadian imports from the United States are a far larger part of Canadian food consumption than American imports from Canada are of American food consumption.

Cross border trade in farm and food products involves goods that are mainly standard commodities, for which sources can be changed easily with small differences in price. In this fluid and price-sensitive commerce, it is possible that import-export trade reflects changes in the exchange rate relatively quickly. Trade figures for January to June year to date indicate that this year's decline in the Canadian dollar was already affecting British Columbia food exports in the first half of the year.

During the January to June period, the loonie dropped below 70 cents U.S., down from a range of 72 to 74 cents U.S. in the same months of 1997. As it dropped, there were strong surges in exports of British Columbia food and agricultural exports to the United States. For example, vegetable exports to the United States rose 51 per cent in June year to date this year, to $52 million. Exports of horticultural products rose 30 per cent, to $30 million. Exports of live cattle rose 41 per cent, to $45 million. And exports of bakery products rose 55 per cent, to $16 million.

These remarkable increases came as overall exports to the United States were virtually unchanged from 1997 levels, held down by weak prices and stiff international competition for forestry products.

The link between exchange rate changes and exports of food and agricultural commodities cannot be quantified in precise terms. The long growth trend for these commodities suggests that some of the increase in the current year would have taken place even with a stable exchange rate. There was a slowdown in export growth during 1997 that has tended to emphasise the gains of 1998. However, the dramatic growth figures for food and agriculture exports in the first half of this year, coincident with relatively modest exchange rate changes, seem to



suggest that trade in these products can be easily affected by a falling Canadian dollar.

Since June, the Canadian dollar has fallen further, dropping below 65 cents U.S. in August for the first time ever. As export numbers become available for the summer and autumn, it is likely that shipments of food and agriculture products to the United States will continue to climb further over 1997 levels.

Some Food Prices Up With Low Canadian Dollar

While these trends promise more income for British Columbia agricultural producers, they can also be expected to raise prices for fresh food products.

There is some evidence that food prices were already climbing during the first half of the year. Consumer price indices for fruit and vegetable products rose much faster in that period than prices for any other major categories of consumer goods used in compiling the national and provincial consumer price indices. Canadian prices for fresh fruit in June were up 9 per cent

over June 1997, and prices for fresh vegetables were up 14.8 per cent. These sharp price jumps came as the 'all items index', for all consumer products together, increased only 1 per cent.

In British Columbia, prices for fresh fruit and vegetables were rising even faster. Prices for fresh fruit and fresh vegetables purchased in the province were up 16.6 per cent and 15.3 per cent respectively in June from 12 months earlier. In the same period, the provincial consumer price index for all items rose only 0.4 per cent.

These numbers imply that consumers in British Columbia and elsewhere in Canada could be facing sharply higher prices for fresh produce this winter, if the Canadian dollar does not reverse its fall against the United States dollar.

A low valued Canadian dollar can produce higher food prices in more than one way. The obvious and most certain price increases have come as Canadian consumers have been obliged to pay more in Canadian dollars for the same amount of food imported from the United States. This form of price inflation threatens to become far more serious during the winter months when so much of Canadian consumption of fresh fruit and vegetable products is traditionally imported from California, Florida and other southern states.

Another form of price inflation can be produced indirectly when Canadian food producers ship more of their output to the United States. In effect, British Columbians can be obliged to pay more for food produced in their own province because they are being forced to bid against American consumers armed with a high valued U.S. dollar.

Recent Feature Articles Listed By Release Date

July 1998	*Plastic Manufactured Products Become Important New Element In Provincial Export Mix*
May 1998	*Apparel Exports Surge For B.C., But Faster For Other Provinces*
April 1998	*British Columbia Falling Behind In Export Boom For Secondary Manufactured Wood*
March 1998	*British Columbia Hardest Hit By Slumping Asian Exports*
March 1998	*Export Emphasis Shifts to Manufactured Goods, As Resource Commodities Falter*
January 1998	*Air Freight Services Promoting Export Growth and Diversification*
January 1998	*Forty Years Later, Forestry Exports As Important As Ever*
December 1997	*British Columbia Export Focus Swings Back To United States*
December 1997	*Exporting To Latin America Calls For New Export Mix*
October 1997	*New APEC Markets For British Columbia As Asia Industrialises*
October 1997	*New Jobs Tied To New Exports*
September 1997	*Canadian Building Products Climb As Japanese Regulatory Barriers Fall*
July 1997	*With Hong Kong, China Becomes Third Largest Export Destination For Western Provinces*
June 1997	*Europe Imports Less From British Columbia, Finds Resources Closer to Home*
May 1997	*Imports Catch Up to Exports, As Trade Surges in 1990's*
April 1997	*B.C. Wood Product Exports Lose U.S. Market Share to Other Provinces*
February 1997	*Shipping and Professional Services Bring In Overseas Revenues*
January 1997	*B.C. Products Find Better Markets Abroad Than In Canada*
December 1996	*B.C. Has Biggest Export Stake In Team Canada Mission*
December 1996	*Canada-U.S. Exchange of Magazines A Very One Sided Affair*
November 1996	*Beyond Natural Resources – The New Exports*
September 1996	*Soaring Trade Deficits With Mexico More A Problem For Ontario Than B.C.*
August 1996	*Cross Border Trade in Processed Food Products*
July 1996	*British Columbia Still A Natural Resource Economy*
June 1996	*Air Freight Use Growing With High Value Exports*
May 1996	*Competing for Share in the U.S. Market*
April 1996	*Canadian Merchandise Trade Balances*
January 1996	*Automotive Industry Emerging As Important Export Earner*

Infoline

September 25, 1998

fax transmission information service from **BC STATS**

also on the Internet at http://www.bcstats.gov.bc.ca

BC at a glance . . .

POPULATION (thousands)	Jul 1/98	% change on one year ago
BC	4,014.3	1.3
Canada	30,300.4	1.0
GDP and INCOME		% change on
(BC - at market prices)	1997	one year ago
Gross Domestic Product (GDP) *($ millions)*	109,347	3.3
GDP *($ 1992 millions)*	98,201	2.2
GDP *($ 1992 per Capita)*	25,039	0.2
Personal Disposable Income *($ 1992 per Capita)*	16,515	-2.3
TRADE ($ millions)		
Manufacturing Shipments (seas. adj.) Jul	2,758	-5.8
Merchandise Exports (raw) Jul	2,149	-7.7
Retail Sales (seasonally adjusted) Jul	2,794	0.5
CONSUMER PRICE INDEX		% change on
(all items - 1992=100)	Aug '98	one year ago
BC	110.4	0.4
Canada	108.8	0.8
LABOUR FORCE (thousands)		% change on
(seasonally adjusted)	Aug '98	one year ago
Labour Force - BC	2,040	0.5
Employed - BC	1,864	0.5
Unemployed - BC	176	0.5
		Aug '97
Unemployment Rate - BC *(percent)*	8.6	8.6
Unemployment Rate - Canada *(percent)*	8.3	9.0
INTEREST RATES (percent)	Sept 23/98	Sept 24/97
Prime Business Rate	7.50	4.75
Conventional Mortgages - 1 year	6.95	5.65
- 5 year	7.30	6.85
US/CANADA EXCHANGE RATE	Sept 23/98	Sept 24/97
(avg. noon spot rate) Cdn $	1.5268	1.3873
US $ *(reciprocal of above rate)*	0.6550	0.7208
AVERAGE WEEKLY EARNINGS		% change on
(industrial aggregate - dollars)	Jul '98	one year ago
BC	623.77	0.9
Canada	610.76	1.7

SOURCES:

Population, Gross Domestic Product, Trade, Prices, Labour Force, Earnings } Statistics Canada

Interest Rates, Exchange Rates: Bank of Canada Weekly Financial Statistics

Released this week by BC STATS

- Business Indicators, September 1998
- Current Statistics, September 1998
- Exports, July 1998
- Migration Highlights, Second Quarter 1998

Next week

- Tourism Room Revenue, June 1998

BC STATS, Min. of Finance & Corporate Relations, Box 9410 Stn Prov Govt, Victoria, B.C. V8W 9V1
Tel: (250) 387-0327 Fax: (250) 387-0329 Web: http://www.bcstats.gov.bc.ca E-mail: BC.Stats@gems8.gov.bc.ca